- (a) Has an ownership interest in the home; or
- (b) Shares his functions and duties with one or more other persons.

[43 FR 45188, Sept. 29, 1978, as amended at 64 FR 67052, Nov. 30, 1999]

### §431.702 State plan requirement.

A State plan must provide that the State has a program for licensing administrators of nursing homes that meets the requirements of §§431.703 through 431.713 of this subpart.

### §431.703 Licensing requirement.

The State licensing program must provide that only nursing homes supervised by an administrator licensed in accordance with the requirements of this subpart may operate in the State.

### § 431.704 Nursing homes designated by other terms.

If a State licensing law does not use the term "nursing home," the CMS Administrator will determine the term or terms equivalent to "nursing home" for purposes of applying the requirements of this subpart. To obtain this determination, the Medicaid agency must submit to the Regional Medicaid Director copies of current State laws that define institutional health care facilities for licensing purposes.

### §431.705 Licensing authority.

- (a) The State licensing program must provide for licensing of nursing home administrators by—
- (1) The agency designated under the healing arts act of the State; or
  - (2) A State licensing board.
- (b) The State agency or board must perform the functions and duties specified in §§ 431.707 through 431.713 and the board must meet the membership requirements specified in §431.706 of this subpart.

# § 431.706 Composition of licensing board.

- (a) The board must be composed of persons representing professions and institutions concerned with the care and treatment of chronically ill or infirm elderly patients. However—
- (1) A majority of the board members may not be representative of a single

- profession or category of institution; and
- (2) Members not representative of institutions may not have a direct financial interest in any nursing home.
- (b) For purposes of this section, nursing home administrators are considered representatives of institutions.

### §431.707 Standards.

- (a) The agency or board must develop, impose, and enforce standards that must be met by individuals in order to be licensed as a nursing home administrator.
- (b) The standards must be designed to insure that nursing home administrators are—
  - (1) Of good character;
  - (2) Otherwise suitable; and
- (3) Qualified to serve because of training or experience in institutional administration.

## § 431.708 Procedures for applying standards.

The agency or board must develop and apply appropriate procedures and techniques, including examinations and investigations, for determining if a person meets the licensing standards.

#### § 431.709 Issuance and revocation of license.

Except as provided in §431.714 of this subpart, the agency or board must—

- (a) Issue licenses to persons who meet the agency's or board's standards; and
- (b) Revoke or suspend a license if the agency or board determines that the person holding the license substantially fails to meet the standards.

### §431.710 Provisional licenses.

To fill a position of nursing home administrator that unexpectedly becomes vacant, the agency or board may issue one provisional license, for a single period not to exceed 6 months. The license may be issued to a person who does not meet all of the licensing requirements established under §431.707 but who—

- (a) Is of good character and otherwise suitable; and
- (b) Meets any other standards established for provisional licensure by the agency or board.